

PROGRAM OF SUPPORT FOR THE STRENGTHENING OF PRIVATE HEALTH CARE SERVICE

(TC-99-05-04-8)

EXECUTIVE SUMMARY

Executing agencies:	Ministry of Health (MINSA) and the Nicaraguan Social Security Administration (INSS)	
Beneficiaries:	The direct beneficiaries will be, on the one hand, private health care providers, which will benefit from a regulatory environment more conducive to an increase in their participation in this market. At least 5,000 private providers are expected to benefit from the regulatory strengthening, and 40 firms to benefit from the technical assistance and training proposed under this program. On the other hand, the Ministry of Health will benefit from greater capacity for regulation of the private sector, and INSS will be able to perform its role as a financial entity and purchaser of services on a better qualified and more strategic basis. Health care recipients will benefit indirectly from a greater supply of better qualified private services.	
Financing:	Modality:	Nonreimbursable
	Total MIF	US\$1.71 million
	Window 1:	US\$1.00 million
	Window 3:	US\$710,000
	Total counterpart:	US\$ 1.13 million
	MINSA:	US\$530,000
	INSS:	US\$600,000
	Total:	US\$2.84 million
Execution timetable:	Execution period:	months 36 months
	Disbursement period:	months 42 months
Objectives and description:	<p>The general objective of the program is to support and promote private-sector participation in the health care services market in Nicaragua by improving and broadening existing regulations and creating a more stable and predictable investment climate conducive to government contracting with such agencies as MINSA and INSS.</p> <p>The program consists of three components: (i) the improvement of quality standards for private health care services; (ii) the design and implementation of a pilot outsourcing project for differentiated care services (SAD) in the Ministry of Health's "Aleman-Nicaragüense"</p>	

Hospital; and (iii) strengthening of the managerial capacity of health maintenance firms (EMPs).

The three components include marketing and public information activities in order to provide potential contractors, as well as users of the services, with up-to-date information on, *inter alia*, business opportunities, user rights and obligations, mandatory quality standards, and promotion of the INSS health maintenance model.

**Exceptions to
Bank policy:**

None.

**Special
contractual
clauses:**

The establishment of the Coordination Committee, with evidence in the form of minutes that it has held its first meeting, will be a condition precedent to disbursement under the program. For the disbursement of components 1 and 2, MINSA will be required to: (i) submit, and obtain the Bank's no objection to, the respective operation manual; and (ii) design and deploy the MIF support unit (UAF), which will provide support for the execution of these program components. For the disbursement of component 3, MINSA will be required to submit, and obtain the Bank's no objection to, the operation manual for each of these components. For the disbursement of component 3, INSS will be required to (i) submit, and obtain the Bank's no objection to, the operations manual for that component; and (ii) design and deploy the MIF support unit (UAF) that will provide support for the execution of this program component.

CESI:

CESI considered the abstract for this operation during its meeting on 11 June 1999 and recommended its approval, subject to the following recommendations: (i) the regulatory standards should include provisions concerning management of the hazardous products used and disposed of by health care providers; and (ii) traditional medical practices should be recognized and provisions include to recognize intercultural health services as part of the private health care services framework. With respect to recommendation (i), although the program does not finance standard-setting activities, since these have already been developed by MINSA, the terms of reference for hiring the trainers will specify the need for provisions on hazardous product management in the qualification manuals to be used (see paragraph 3.4). With respect to point (ii), the benefits plan provided by the EMPs is defined by the Social Security Administration, taking into account both economic and epidemiological considerations. The program finances activities for managerial strengthening of the EMPs, and none of its activities will entail proposed changes in the benefits plan administered by INSS.